

Category #25:

The Guidelines should require companies to provide cost information for their products on the approved product list.

State Response:

Cleaning and maintaining school buildings in the most cost efficient manner as possible is a reasonable goal. However, product cost is only one element of the cost to effectively clean and maintain school buildings. Consumers should have a fair playing field and most vendors and manufacturers want to work in a fair playing field. Consumers are entitled to cost comparisons as part of their decision making process to select green cleaning products. However, vendors must consider a number of factors when developing a price quote, such as: 1) Size of total order; 2) Average size of each delivery; 3) The number of physical locations to which deliveries need to be made; 4) Cost of freight (in-house or common carrier); 5) Some vendors build freight into their prices and others add the freight to their invoices. Originally, the "sample list of approved products" required by the legislation was going to include a column showing product costs. After further review, the most effective method will be to require a vendor to provide their "Recommended dilution rate based on no rinsing for each product type". Now school districts can ask a vendor to provide a product price quote, based on the five factors noted above. School districts can then "run the numbers" through the calculator that we will be providing on our website and determine their real "point-of-use" costs. Here is the web address: <http://www.ogs.state.ny.us/bldgadmin/environmental/default.html> and click on "Cost Calculator for Green Cleaning Products". In the end, the power of a decision lies in the hands of a facility manager who must be able to justify their decision through their normal purchasing practices and policies. We believe pricing information will be one of many considerations in choosing a green cleaning product.

To aid in this decision making process, the Cost Calculator has been provided which will allow all vendors and customers to calculate the costs of diluted cleaning solution per gallon based on manufacturers recommendations for a specific product category. Office of General Services is providing this calculator in an effort to help custodial managers calculate the real cost of cleaning products that get diluted, such as detergents. A per gallon or per pound price may look good on paper, but the actual cost per gallon of diluted cleaning solution (i.e. washing or mopping solution) is the price that determines competitiveness. Since product performance has a direct influence on achieving clean, healthy surfaces, we urge schools to thoroughly test approved products in order to find products that best meet their needs. Health, environment, product efficacy and costs are all important considerations in the cleaning product selection process. (The calculator can be accessed from the following website: <http://www.ogs.state.ny.us/bldgadmin/environmental/default.html>)

Therefore, regardless of the container that a vendor sells their product (quart, 31.5 oz, gallon, liter, 55 gallon drum, pint, etc.) an informed consumer can determine what the "real" cost is for that specific product for that cleaning category. Vendors and manufacturers will comply with this requirement by providing their best price, since consumers will be using this criteria as one of several factors in determining which cleaning products best meet their needs.

For example, if ABC Soap Company quotes a prospect \$12.50 per gallon for their glass cleaning product and the label states it is to be diluted at 2 oz. per gallon of cold water, the cost would be:
 $\$12.50 \times .015625 = 19.5\text{¢}$ per gallon of dilution cleaning solution

On the other hand, if XYZ Company quotes the prospect \$17.50 per gallon for their glass cleaning product, and the label states it is to be diluted at 1/2 ounce per gallon of cold water, the cost would be:
 $\$17.50 \times .003906 = 6.8\text{¢}$ per gallon of diluted cleaning solution.

Frequently Asked Public Comment:

Publishing of Selling Prices of Products on Approved Product List: (A) Requirement of Companies to Submit Cost Information

--It is also my understanding that selling prices will be published for each product on the approved list along with the name and any applicable dilution rate. I sincerely believe that this will result in higher costs to New York schools since the cost of doing business varies greatly from region to region. Consider the cost to stock, demonstrate, sell and deliver products to customers in New York City or Albany as compared to a small town in western NY such as Dansville. The costs would obviously be much lower in Dansville. Would not the proposed standard then result in schools in Dansville paying a higher cost than they should? (Robert Allen, Vice President Business Development, Pioneer Eclipse Corporation)

--We strongly disagree with the requirement of companies to submit cost information. A manufacturer usually sells through distribution, and does not therefore set prices, and is not therefore capable of submitting cost information. Different distributors sell products at different prices and it is therefore impossible for a manufacturer to quote anything besides perhaps list price, which would most certainly be inaccurate and therefore unfair to chart. Buying in different quantity sizes also affects price and adds to this impossibility. (Deborah Lema, Research and Education, Racine Industries, Inc.)

--Regarding the costs, please clarify how it is to be stated: MSRP/List Price; MSRP/List Price after Dilution at the strongest dilution rate; MSRP/List Price after Dilution at the weakest dilution rate stated on the label; etc. Given the size of the State and the various factors that impact price (size of order, delivery distance, overall total purchases, mix of product, etc.), it is suggested that you use as the maximum price = MSRP/List Price at both the strongest and weakest dilution as per the label instructions. (Mike Sawchuk, Vice President and General Manager, Enviro-Solutions)